

## KENT COUNTY BOARD OF COMMISSIONERS

Thursday, March 24, 2016  
Room 310, Administration Building  
**Museum / Zoo Millage Request**  
- WORK SESSION -

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Meeting called to order at 7:30 a.m. by Chair James R. Saalfeld.

Present: Commissioners Bolter, Brieve, Bulkowski, Chivis, Hennessy, Jones, Kallman, Koorndyk, Mast, Morgan, Ponstein, Shroll, Stek, Talen, Vander Molen, Vonk, Voorhees, Chair Saalfeld - 18.

Absent: Antor - 1.

(Handouts include: A copy of the PowerPoint presentation and a memorandum from Administrator Delabbio on Millage Requests (dated March 14, 2016) with attachments: a) Fiscal Policy – Millage Requests; b) Zoo and Museum millage request letter; and c) case statements for the Zoo/Museum millage.)

### INTRODUCTION

Chair Saalfeld explained that the Millage Subcommittee voted unanimously to move the request for a Zoo / Museum millage on to both the Finance and Physical Resources and Legislative and Human Resources Committees.

### OVERVIEW

Administrator Delabbio explained that staff reviewed the millage request before it was presented to the Millage Subcommittee. The .44 mills request is for 15 years (2017 – 2031) and would go on the November ballot. The Museum and Zoo would split the proceeds equally, which are estimated at \$8,900,000 for the first year.

Brenda Stringer (Zoo) and Dale Robertson (Museum) are present.

### PRESENTATION

The millage would support the two institutions, which together draw 800,000 visitors a year. The proceeds would allow educational programs, renovations to aging exhibits, preservation of museum artifacts, new exhibits, upgrades to technology and increase public access.

Benefits to Kent County residents include:

- Free group Zoo admissions for elementary students;
- Reduced admission for seniors and continued free parking;
- Free Museum admission for children (age 17 and under)

Additional benefits include:

- Improved care of zoo animals and maintenance of the Park and Zoo;
- Repairs to Zoo and Museum infrastructure

John Ball Zoo

500,000 people (22,000 students) visit the Zoo annually and is the fourth most attended cultural facility in Michigan. The Zoo's 1,600 animals represent 160 species. Its economic impact is \$30,000,000. The Zoo celebrates its 125<sup>th</sup> anniversary this year.

Grand Rapids Public Museum

The State's oldest and second largest Museum attracts 300,000 visitors (30,000 students) annually and owns 250,000 artifacts. The Museum is the only venue for large-scale exhibits and has the only planetarium in the region. It also hosts the Museum school for 6<sup>th</sup> – 12<sup>th</sup> graders.

Fiduciary

It is proposed that Kent County be the fiduciary to levy, collect and distribute the estimated \$8,900,000 annually.

Revenues for the Zoo would be used as follows:

- Millage Associated Benefits (discounts)
- Operations
- Capital Improvements
- Deferred Maintenance and Infrastructure

Revenues for the Museum:

- Millage Associated Benefits (discounts, free parking, etc.)
- Operations, Exhibits and Programs
- Care and Access to the Museum Collections
- Deferred Maintenance / Asset Management

Q & A

**Chair Saalfeld:** Will the Museum continue to hold events to raise money?

Mr. Robertson: Yes, the facility is available for rent and the intent will be to continue to use the Museum to its full extent. The Museum has its own fundraising events and it also partners with other groups.

**Com. Vonk:** Metro Hospital has a very good handicap accessibility program. It could be used by both entities as a model. We need to make accessibility a priority.

**Com. Bulkowski:** Disability Advocates has partnered with both institutions and will continue to work with both to increase accessibility. Two of his children attended the Zoo School and believes that there are few opportunities in this community that rival that experience. Are the non-profit board meetings open to the public and is there opportunity for public comment?

**Ms. Stringer:** The Zoo is a private organization and not subject to the Open Meetings Act and does not have public comment at their meeting. Prior to the transition, there was a Zoo Advisory Board (ZAB) that the County appointed and those meeting were open to the public. Members of ZAB were appointed to a CEO Advisory Committee following the transition and continues to still meet.

**Mr. Robertson:** The Museum has three boards, one is the city-appointed Art Museum Commission, which is responsible for reviewing operational and lease agreements. This board meets quarterly and is subject to the Open Meetings Act.

**Com. Shroll:** After 15 years, the Museum hopes to not seek a renewal. Does the Zoo anticipate seeking a renewal? Also, has the general public been surveyed to determine the level of support?

**Ms. Stringer:** The Zoo will decide about renewal later. The Zoo did a survey which showed a high approval rate.

**Mr. Robertson:** The Museum's five surveys showed very positive results.

**Com. Jones:** What is the relationship between the City of Grand Rapids and the Public Museum? How much money does the City give the Public Museum annually?

**Mr. Robertson:** The City holds the title to all the land, buildings and artifacts. The 99-year lease was signed in 2006 with an option to renew for another 50 years. The City has not provided funding since 2008.

**Com. Stek:** The County would be the fiduciary for these funds. What does that mean? Would the County be responsible for decisions on how to allocate those funds?

**Mr. Robertson:** The County would simply collect and forward the funds to the Museum and Zoo.

**Com. Stek:** The contribution levels for the Zoo are projected to step down. Why are they projected to go down?

**Ms. Stringer:** We will have someone respond in writing. The millage will generate seed money for new projects. That money will be matched with contributions from donors. We need to make it clear to the philanthropic community that, even if the millage passes, there will still be fundraising. Part of the millage funds will go to operations with the rest to capital projects, but that is not enough.

**Com. Stek:** The projected revenue from operations is expected to go up but the projected attendance is stable. What accounts for the increase in revenue if attendance is stable?

**Ms. Stringer:** Increased facility rentals and membership increases which contribute to food and gift shop sales. The Forest Realm Exhibit will prolong the stay of the attendee. The longer they stay - the more they spend.

**Mr. Robertson:** The millage would help to stabilize funding for some core Museum operational costs. Utility costs are \$1,000,000 annually.

**Com. Vander Molen:** If this millage passes, the Zoo and Museum boards should become more transparent. Perhaps Commissioners should serve on a Museum board as well as the Zoo board. How did the Zoo and Museum arrive on an even split of millage dollars?

**Mr. Robertson:** It was based on needs and made sense for both organizations.

**Com. Vander Molen:** Is the County's contribution to the Zoo eliminated if the millage passes?

**Administrator Delabbio:** If the millage passes in 2016, the contribution from the County would end in 2017.

**Com. Mast:** The millage will raise roughly \$4,500,000 for the Zoo but minus the \$2,000,000 from the County the net increase will only be \$2,500,000. Has that been discussed?

**Admin. Delabbio:** When the Board of Commissioners approved the transition of the Zoo from a County department to a private 501c(3), the agreement stated that if there was a millage passed by voters, then the County contribution would be reduced or eliminated.

**Com. Mast:** Do both the Zoo and Museum believe that in 15 years they will not need the millage?

**Mr. Robertson:** Our goal is to build the endowment over the next 15 years and if it is sufficient, then we would prefer not to ask for a renewal. The end goal is to be entirely solvent based on endowment and earned revenues.

**Ms. Stringer:** The decision can only be made in the future for the Zoo.

**Com. Bolter:** Both organizations appear to be doing well, so how does one justify a millage request to the voters?

**Ms. Stringer:** The Zoo does a lot on a little. The Zoo, on its own, has had a pretty successful first two years. Part of that success is that the Zoo is still receiving funding from the County and the favorable weather. The Zoo does not have more than it needs. It has a lot of philanthropic support; but there are basic things that need to be done. A lot of the animals are not protected in winter. The winter of 2014 was hard and the animals had to be brought inside for the first time in the history of the Zoo. That created a lot of crowding. It is a high priority for the Zoo to build another holding building. There are a lot of behind-the-scenes projects that cannot be done now. Donors do not want to give for something not seen.

**Com. Bolter:** How did you come to the 15 years and the .44 mills?

**Ms. Stringer:** The .44 mills came out of the survey work and it gives both the Zoo and the Museum what they need. We want to remain accessible price wise to visitors.

**Com. Talen:** Currently, the County has fairly clear guidelines for organizations that receive County funding. Do we have clear guidelines for a situation like this? It might be a good idea to be more transparent in terms of posting meetings, openness of meetings, etc.

**Chair Saalfeld:** We can certainly look into that.

**Com. Talen:** Appreciate the questions about contributions declining and it appears to be declining in both organizations. It would be helpful to understand why contributions are declining.

**Com. Voorhees:** What is the accountability of the funds coming through the County with this millage? There are two County seats on the Zoo board presently. What about the Museum?

**Com. Vander Molen:** Questioned if the County should also have representation on the Museum board?

**Chair Saalfeld:** This has been a great introduction into the millage request. This request will now move through both Standing Committees and, ultimately, the full Board.

**Admin. Delabbio:** Distributed draft ballot language prepared by Corporate Counsel Dempsey. The timetable for the request is:

Finance and Physical Resources Committee – April 19  
Legislative and Human Resources Committee – April 26  
Board of Commissioners – May 12

**Chair Saalfeld:** Corporate Counsel Dempsey confirmed that the vote needed by the Board of Commissioners is a majority vote of members-elect (10 members). Thanked Dale Robertson and Brenda Stringer for their presentation.

Public Comment

There was no public comment.

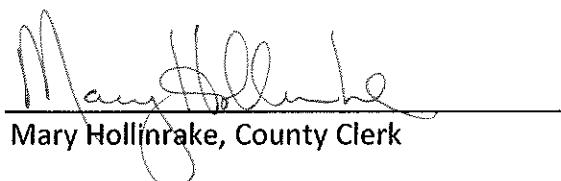
Other Business

There was no other business.

ADJOURNMENT

At 8:30 a.m., Chair Saalfeld adjourned the work session.

  
James R. Saalfeld, Chair

  
Mary Hollinrake, County Clerk